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CALIFORNIA STATE ALLOCATION BOARD
PUBLIC MEETING

STATE CAPITOL
ROOM 2040
SACRAMENTO, CALIFORNIA 95814

DATE: WEDNESDAY, FEBRUARY 27, 2019
TIME: 4:06 P.M.

Reported By: Peter Petty
eScribers

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APPEARANCES:

MEMBERS OF THE BOARD PRESENT:

KEELY MARTIN BOSLER, Director, Department of Finance

DANIEL KIM, Director, Department of General Services

CESAR DIAZ, Appointee of Edmund G. Brown, Jr., former Governor of the State of California

JUAN MIRELES, Director, School Facilities and Transportation Services Division, California Department of Education, designated representative for Tony Thurmond, Superintendent of Public Instruction

SENATOR BENJAMIN ALLEN

SENATOR RICHARD PAN

SENATOR SCOTT WILK

ASSEMBLYMEMBER ADRIN NAZARIAN

ASSEMBLYMEMBER PATRICK O'DONNELL

ASSEMBLYMEMBER JAMES GALLAGHER

REPRESENTATIVES OF THE STATE ALLOCATION BOARD PRESENT:

LISA SILVERMAN, Executive Officer

REPRESENTATIVES OF THE DEPARTMENT OF GENERAL SERVICES, OFFICE OF PUBLIC SCHOOL CONSTRUCTION (OPSC) PRESENT:

LISA SILVERMAN, Executive Officer

BARBARA KAMPMEINERT, Deputy Executive Officer

REPRESENTATIVE OF THE DEPARTMENT OF GENERAL SERVICES, OFFICE OF LEGAL SERVICES PRESENT:

TOM PATTON, Assistant Chief Counsel

P R O C E E D I N G S

CHAIRPERSON BOSLER: Good morning. I'm going to call the meeting to order and ask the secretary to call the roll.

MS. JONES: Senator Allen.

Senator Pan.

Senator Wilk.

SENATOR WILK: Present.

MS. JONES: Assemblymember Nazarian.

Assemblymember O'Donnell.

ASSEMBLYMEMBER O'DONNELL: Here.

MS. JONES: Assemblymember Gallagher.

Juan Mireles.

MR. MIRELES: Here.

MS. JONES: Cesar Diaz.

MR. DIAZ: Present.

MS. JONES: Daniel Kim.

MR. KIM: Here.

MS. JONES: Keeley Bosler.

CHAIRPERSON BOSLER: Here.

MS. JONES: We have a quorum.

CHAIRPERSON BOSLER: So it's my great pleasure to start this meeting off by recognizing two individuals who have served here with the Board and we wanted to take some

1 time just here at the very beginning -- a short period of
2 time to recognize them. The first is my old chief deputy,
3 Jacqueline Wong-Hernandez who's moved on to a new job, but
4 we want to present her with a resolution and acknowledge her
5 dedication and service to the State Allocation Board.

6 Jacqueline was appointed by the Governor November
7 2017 and her first State Allocation meeting as Chair was
8 January 24th and she just recently left last month and I'm
9 already personally missing her quite a bit.

10 So during that time, Jacqueline informed decisions
11 such as approving the new Full-Day Kindergarten Facilities
12 Grant Program and providing unfunded approvals for over
13 \$1.7 billion worth of projects. So we do really appreciate
14 your service in this body, Jacqueline, and wanted to
15 recognize you today.

16 (Applause)

17 CHAIRPERSON BOSLER: And then I also wanted to
18 recognize Mr. Jeff McGuire with a resolution as
19 acknowledgement of his dedication and service to the State
20 Allocation Board. Jeff was appointed by the Governor on
21 December 28th, 2015, and began serving as the Chief Deputy
22 Director for the Department of General Services.

23 In April 2016, he attended his first meeting of
24 the State Allocation Board as a member and he will retire
25 from public service effective the end of this month and so

1 congratulations on that.

2 He's been a big part of all of the work that's
3 gone on here for the last several years and we appreciate
4 all of your service here at the State Allocation Board. So
5 thank you, Jeff.

6 (Whereupon, resolution recipients are presented and
7 photos are taken.)

8 CHAIRPERSON BOSLER: Thanks, everyone, for
9 allowing us to do that. The second thing I would like to
10 note that I think everyone will be happy that our meeting's
11 going to be a little shorter today, is that the two appeal
12 items under Tab 7 have been withdrawn from the agenda.

13 And now we'll ask for the **Minutes** to be approved.

14 MS. SILVERMAN: The Minutes are ready for your
15 approval.

16 MR. DIAZ: So moved.

17 ASSEMBLYMEMBER O'DONNELL: Second.

18 CHAIRPERSON BOSLER: Is there any public comment
19 on the Minutes? Seeing none, is there a motion? Oh, you
20 already moved this. We're good. And a vote. Sorry. I'm
21 out of order here.

22 MS. JONES: Senator Wilk.

23 SENATOR WILK: Aye.

24 MS. JONES: Assemblymember O'Donnell.

25 ASSEMBLYMEMBER O'DONNELL: Aye.

1 MS. JONES: Juan Mireles.

2 MR. MIRELES: Aye.

3 MS. JONES: Cesar Diaz.

4 MR. DIAZ: Aye.

5 MS. JONES: Daniel Kim.

6 MR. KIM: Aye.

7 MS. JONES: Keeley Bosler.

8 CHAIRPERSON BOSLER: Aye.

9 MS. JONES: Motion carries. Chair, would you like
10 to leave the roll open?

11 CHAIRPERSON BOSLER: Yes. And now we'll move --

12 REPORTER: Is your mic on, Ma'am?

13 CHAIRPERSON BOSLER: Can you hear me now? We'll
14 now turn to the **Executive Officer's Statement.**

15 MS. SILVERMAN: Hi. So we have a few items to
16 share with the Board tonight. So one of them is we were
17 highlighting with the Board over the last few months that we
18 are definitely near the point where we have enough
19 modernization applications -- all our workloads that would
20 definitely cover the modernization bond authority for all
21 propositions.

22 So as we have been receiving applications on a
23 slow basis -- applications that we received on a daily
24 basis, we actually have the report today at 27 and a half
25 million dollars in bond authority left as we speak.

1 So as applications walk through the door, we are
2 very close. So we'll be sending notifications out to
3 districts once we hit that threshold. So we just wanted to
4 give that highlight to the Board tonight.

5 The requirement after this point once we hit that
6 threshold, the districts will have to submit a Board
7 resolution acknowledging that there will be no guarantee of
8 future funding. Once you submit your modernization
9 application and it will be put on the acknowledged list as
10 well. So we just wanted to highlight that for those future
11 modernization applications.

12 And we also wanted to share with you the Full-Day
13 Kindergarten Program filing round closed and we had an
14 abundance of applications for the first filing round. So
15 that's super exciting for the first 37 and a half million.
16 \$324 million in applications came through the door. So
17 again that's quite an abundance of applications. So we're
18 super excited and we're going to present those applications
19 to the June meeting.

20 And to recognize that we have a subsequent filing
21 round that opens and that is for the remaining 60 million
22 and those applications that submitted for the first filing
23 round are eligible to resubmit for that new filing round as
24 well.

25 And we wanted to highlight that we had a Career

1 Tech Education filing round that did close and those
2 application scores were released from the Department of
3 Education and those who had a score of 105 or higher were
4 eligible to submit a funding application to our office. And
5 that deadline was February 15th. There were 200
6 applications. So that's great news for our program and
7 we're going to present those -- that were eligible for the
8 high scores and present those to the May State Allocation
9 Board.

10 And one other thing, though, is we still have
11 \$250 million in the program and so we were working out some
12 details with the Department of Education as far as
13 presenting the plan to the State Allocation Board before the
14 end of June and as far as what we will propose the next
15 filing round.

16 And we also are talking about potential regulation
17 change and so we'll be introducing some stakeholder meetings
18 in the future.

19 We also want to give the Board an update on the
20 priority funding apportionments. In October, the Board had
21 a fall bond sale that we actually had \$442 million in
22 apportionments and we had nearly \$300 million that we
23 released in those apportionments.

24 There was 21 applications that didn't come in for
25 an apportionment, but they didn't lose their funding.

1 They're actually related to some charter school projects, so
2 they still have some time to perfect on their project. And
3 there is also -- a good portion of those projects also
4 related to Career Tech Education and they actually have a
5 different timeline, so they have until October to come in.

6 We also want to give the Board a highlight. There
7 are some regulations that went into effect on January 24th
8 and that relate to the Career Tech tiebreaker and
9 regulations were approved by the Board in August.

10 And then our next Allocation Board meeting is in
11 March.

12 CHAIRPERSON BOSLER: Thank you, Lisa. Is there
13 any public comment on the testimony? Okay. We will move
14 onto the **Consent Agenda**. Public comment first on the
15 Consent Agenda? No public comment. Can I have a motion.

16 MR. DIAZ: So moved.

17 CHAIRPERSON BOSLER: Mr. Diaz has a motion.

18 ASSEMBLYMEMBER O'DONNELL: Second.

19 CHAIRPERSON BOSLER: Second. Can you call the
20 roll?

21 MS. JONES: Senator Wilk.

22 SENATOR WILK: Aye.

23 MS. JONES: Assemblymember Nazarian.

24 MR. NAZARIAN: Aye.

25 MS. JONES: Assemblymember O'Donnell.

1 ASSEMBLYMEMBER O'DONNELL: Aye.

2 MS. JONES: Juan Mireles.

3 MR. MIRELES: Aye.

4 MS. JONES: Cesar Diaz.

5 MR. DIAZ: Aye.

6 MS. JONES: Daniel Kim.

7 MR. KIM: Aye.

8 MS. JONES: Keeley Bosler.

9 CHAIRPERSON BOSLER: Aye.

10 MS. JONES: Motion carries.

11 CHAIRPERSON BOSLER: Thank you.

12 All right. Now we will move into the meat of our
13 agenda. First issue is the **Status of Fund Releases**.

14 MS. SILVERMAN: So on the financials on Tab 5, we
15 just wanted to report out an update we're sharing the
16 apportionment activity in January. On page 55, we had a
17 \$442 million that was released -- \$44.2 million that was
18 released. I apologize.

19 And on page 57, I just wanted to highlight, part
20 of the Consent Agenda today, there was over \$121 billion
21 that was part of those approvals and also those activity --
22 the projects that were approved had a 5.5 percent CCI
23 increase in those approvals as well. So that was part of
24 those approvals.

25 And we also wanted to highlight that nearly

1 \$500,000 was also a part of the agenda as far as the
2 closeout adjustments and a reduction in costs incurred. So
3 that's part of the financial reports as well.

4 So with that, I'll open to any questions.

5 CHAIRPERSON BOSLER: Okay. Is there any public
6 comment on this item? All right. We'll move onto the next
7 item which is **Status of Funds**.

8 MS. SILVERMAN: We just did that.

9 CHAIRPERSON BOSLER: Did we cover that already?

10 MS. SILVERMAN: Yes.

11 CHAIRPERSON BOSLER: Okay. And now we are onto
12 the first -- so we have the two items that were withdrawn
13 and now we're on Tab 6.

14 MS. KAMPMEINERT: Tab 6 is the request **Pleasant**
15 **View Elementary School District**. This is a small school
16 district located in Tulare County and this appeal is related
17 to a new construction project.

18 This appeal has two issues for the Board's
19 consideration, one relating to occupancy of the project
20 prior to funding application submittal and the second
21 related to new construction eligibility.

22 If I could draw your attention to page 120,
23 there's a timeline of the project available for your
24 consideration here.

25 The district had submitted the design application

1 in 2014 during a time when we were out of bond authority.
2 So the project was placed on the applications received
3 beyond bond authority list with acknowledgement that there
4 may not be future funding. The criteria could change in the
5 beginning if there was funding available.

6 The district took out a certificate of
7 participation in order to begin the project at the local
8 level and got their plans approved by the state architect,
9 went out to bid, got their contract in place in 2015, and
10 issued the notice to proceed.

11 The classrooms were built and occupied in August
12 of 2016 at the start of the school year. The funding
13 application was submitted in September -- September 28th of
14 2016 so after the school year had started.

15 This is the first issue in that the requirements
16 for the School Facility Program new construction is that the
17 application be submitted prior to the occupancy date.

18 With respect to occupancy, there have been
19 discussions with the State Allocation Board in years past
20 related to the last point at which an application can be
21 submitted for funding consideration, the concept being that
22 new construction funding is intended to house future
23 students or new growth, and we actually at the request of
24 the Board had gotten an Attorney General opinion that
25 indicated that once students have occupied those facilities,

1 they can no longer be considered for new construction
2 funding because they become existing capacity
3 (indiscernible).

4 However, there were three appeals that came before
5 the Board previously that did seek funding after they'd
6 occupied after the date in regulations that the Board had
7 specified for application submittal. The Board did approve
8 those appeals.

9 The occupancy issue is one factor and that relates
10 to the full funding piece of the application. However, for
11 both the design application and the full funding
12 application, there is a secondary issue and that's the
13 district submitted based on eligibility from enrollment in
14 the 2013-'14 school and again (indiscernible) weren't
15 processing applications for eligibility.

16 In June of 2017, the Board determined that new
17 construction applications would submit new construction
18 eligibility updates at the time that staff was processing
19 the projects that had been submitted, and the Board at the
20 time was concerned with making sure that projects -- funded
21 out of Proposition 51 were going to school districts that
22 had a need for housing new students.

23 When we were processing the design application, we
24 were using the '17-'18 school year enrollment information
25 and it resulted in negative eligibility for the district.

1 And if you look at the chart on page 126, it shows the
2 enrollment for the school district between 2008-'09 and
3 2017-'18 school year, and what you see is that there's a
4 peak enrollment in 2011-'12 and then there's been a decline
5 in the years since.

6 And what that has done is instead of a positive
7 projection of students coming into the district, it resulted
8 in a negative projection and you can see the enrollment on
9 page -- if you go one page back to 125.

10 In '13-'14 when the district submitted
11 application, they would have had new construction
12 eligibility, but in the '17-'18 enrollment update, they're
13 actually showing that they have more capacity available than
14 they do have projected students.

15 So the design application was returned by staff
16 for lack of new construction eligibility. The full funding
17 application was returned due to the occupancy issue.

18 The district has appealed that and is requesting
19 that the Board allow them to use the 2013-'14 eligibility to
20 support these projects.

21 The '13-'14 eligibility, it -- because they are a
22 small school district, they could lock in the eligibility --
23 or at the time had we been processing, they could have
24 locked in their eligibility for a period of three years
25 which may have covered the full funding of the project if we

1 were processing back in those time periods.

2 Current eligibility does not support it. However,
3 this is our first appeal that we're hearing related to new
4 construction eligibility where we don't really have a
5 solution for the district eligibility situation.

6 We heard two appeals back in September from school
7 districts where the eligibility from '17-'18 did not result
8 in anything for the project. However, the '18-'19
9 enrollment did support those two projects. That is not the
10 case here.

11 The district has indicated if they were to provide
12 us the '18-'19 enrollment information, it would still show a
13 decline and negative eligibility. So we were not able to
14 provide that as an option for the Board in this case.

15 So staff is concerned with both pieces, the lack
16 of eligibility for the project as well as the occupancy
17 issue. We are not able to make a positive recommendation
18 because we do have that legal opinion that says that that is
19 not a project that is eligible for funding.

20 So with that, I'd be happy to answer any questions
21 and the school district is also here if there are questions
22 for the district.

23 CHAIRPERSON BOSLER: Anybody have any questions?

24 MR. KIM: Hi. I have questions for the district.
25 Would you like to come up.

1 MR. HUDSON: Yes. I'm Mark Hudson. I'm the
2 Superintendent.

3 MR. KIM: Thank you, Superintendent Hudson. I can
4 appreciate that you were qualified to apply for new
5 construction funds, but when you applied -- or when you
6 actually awarded the construction, your enrollment was
7 actually going down and continued to go down every year
8 after that; is that correct, based on the data that --

9 MR. HUDSON: So when we applied for the
10 eligibility or had the eligibility at the time is then when
11 we took out the COP and begin building. And so since then,
12 yes -- I mean there's a number of things that have taken
13 place in the Central Valley and Tulare County and I think
14 it's probably -- a lot of that's drought related as well
15 that hit us later and just enrollment continued to decline.

16 But at the time when we did it, we had a unique
17 situation in that I'm a K-8 school district, but I have two
18 sites, and the site that was originally built and that's in
19 my letter was built in the community whereas the original
20 site is outside the community by a mile or so.

21 And there were ten classrooms built back in
22 2005-2006. So when we started to see a spike in enrollment,
23 we had eligibility. It was an opportunity to build out the
24 school in the community to try to provide more services in
25 the community and reduce transportation costs. We were

1 running eight bus routes.

2 So it has declined since then. There's no
3 question.

4 MR. KIM: I'm just trying to see how -- I can
5 appreciate your position. It's a lot of money to absorb in
6 a district's budget, but I'm not sure what the rationale or
7 justification would be for the Board to change its policy on
8 this case.

9 MR. HUDSON: We -- yeah. At the time we went with
10 what was currently the regulations at the time and we --
11 that's -- a lot of small school districts like myself, we
12 don't get eligibility very often, so when this opportunity
13 presented itself, we decided to go down that road. At the
14 time -- you got to -- in my position, I'm Superintendent,
15 business manager -- part-time business manager, human
16 resources. I don't drive bus. I don't have a bus driver's
17 license yet, but I fill so many different shoes that I rely
18 heavily on consultants and architects and those project
19 managers to help guide me through this process, and so I
20 took all the information at the time and that's how we
21 proceeded.

22 I mean it's been a difficult five years, I could
23 tell you that.

24 MR. KIM: I appreciate that. Is your consultant
25 here? Can you speak to how they ended up with an occupancy

1 prior to -- because one of our rules is --

2 MR. HUDSON: Well, I can address that. So the
3 plans were approved in November. Our project manager from
4 our architects didn't submit plans to CDE until June. I
5 don't know why. And in the middle of all that, the person
6 who I relied on most heavily was my inspector of record,
7 Chris, which I laid out the deal.

8 Chris had come to me in late May and was diagnosed
9 again with cancer and ended up passing away in October. She
10 was the person I went to for everything. The questions I
11 had day to day between contractors, architects, Chris was
12 that person and I lost her in June. So from that point
13 forward, I didn't know at that point until mid-September and
14 honestly didn't know it was a regulation issue until we came
15 to the appeal process. Ken is my consultant for
16 eligibility.

17 MR. KIM: So can you tell us why you thought this
18 would be eligible?

19 MR. REYNOLDS: So we -- it's been a long
20 challenging. Some of the unique circumstances here -- one
21 is that at the time -- well after we were deep into the
22 recession, but at the same time, it was more of an issue
23 related to the drought and -- as was mentioned, and the
24 district hadn't rebound since that crisis. Obviously, we're
25 having a wonderful water year this year.

1 And so we're hoping things turn around. There has
2 been more wells created. The school that's in town is
3 actually on city water. So it doesn't have the well issue
4 that the one out of town does. It was another reason for
5 building this project.

6 There is development planned. There are tentative
7 maps. There are anticipated growth that will occur, and so
8 this project -- the eight classrooms that have already been
9 built will get utilized and actually are being utilized.

10 So in terms of eligibility, there's been some low
11 numbers in the kindergarten class which, of course, is what
12 the key factor is when you do the (indiscernible) form that
13 does the enrollment projections.

14 So even though they don't currently show up, it's
15 a very common issue in small school districts and that's why
16 on the previous appeals, we were fortunate enough to have
17 those numbers resume within time to justify for your other
18 projects. We just have not seen that rebound happen yet,
19 but we know it's on its way. It just didn't arrive in time.

20 MR. KIM: What I'm just trying to reconcile at the
21 time that the construction contract was awarded in 2015, the
22 enrollment has been declining since 2012.

23 MR. REYNOLDS: Right. But we anticipated it would
24 rebound. It just hasn't yet.

25 MR. KIM: That's a big guess to make as a

1 consultant.

2 MR. HUDSON: I think the '13-'14 numbers, there
3 was a spot -- there was a jump in our kindergarten
4 enrollment which is what triggered those numbers. So that's
5 what led to us going down that road because I think it was
6 like -- I don't have it offhand. I think it was 80 some
7 kids which was --

8 MR. NAZARIAN: There is a spike, but there's also
9 a very -- my apologies, Madam Chair. There is a spike, but
10 there's also a significant drop in the times that there has
11 been more water.

12 MR. HUDSON: I'm not -- like -- in terms of
13 water --

14 MR. NAZARIAN: I don't want to put you in a
15 difficult spot --

16 MR. HUDSON: No. It's not because I --

17 MR. NAZARIAN: -- to understand the guesstimate
18 that was taken in this process because I can appreciate your
19 position in being beholden to folks that you rely on to
20 provide you the information. So I'm -- I don't think
21 we're looking to you as much as we're looking at how some of
22 these estimates were made.

23 MR. HUDSON: Well, the -- let me just address the
24 water issue because I flew up and testified before the EPA
25 about a year and a half ago on this issue with rural school

1 districts and those of us that are dependent upon our own
2 wheels to provide water and this.

3 And what we saw is our well went dry at our old
4 campus and we had to drop the new one at our own expense.
5 We went from 180 feet -- we had to go down about 700 feet.
6 Everybody around us at the same time was dropping wells, and
7 so the minute those wells came on, the agriculture wells,
8 then ours went dry. And so we had to drop our own. How
9 long it will last, I have no idea.

10 The one in the community -- the community had
11 water issues as well, but they have recently just put in a
12 brand new well. There is -- I think -- there are still some
13 tentative maps. That one was extended after the crisis in
14 late -- 2007-2008 and there are some people that are looking
15 at it, but there's still a water issue.

16 So the water -- it's not that the water issue's
17 been resolved by a couple nice years of rain. We still have
18 well issues that a lot of the small rural schools like
19 myself are still going to continue to deal with because
20 during this last few years, a lot of agriculture has gone to
21 digging their own wells and the minute those come on,
22 they're coming from the same -- so the water issue, I --
23 that's all I can speak to on that.

24 And then I think -- yeah, it's a difficult
25 situation all the way around. I think moving towards the

1 community was our best chance at the time and now we're on
2 public water down there for the majority of our school, but
3 again, I did the best at the time with what I knew was
4 allowable and --

5 MR. NAZARIAN: Again, I'm sorry. I don't mean to
6 harp, but I don't think my question was as targeted --
7 directed to you as it was to -- I'm still very interested to
8 hear from the consultant on what research or what
9 (indiscernible) were used to come to the conclusions that
10 you did because this isn't as much about the school
11 district.

12 Again, I understand the position you're in, but --

13 MR. REYNOLDS: I'm sorry. My name is Ken
14 Reynolds. I'm president of SchoolWorks and we help the
15 district with understanding what their eligible calculations
16 are. We work closely with OPSC and they're wonderful to
17 work with -- on making sure the projects are complete and
18 accurate as well as can be.

19 And again, we analyzed their enrollment as the
20 district shares information with us each year to update them
21 on what the trends are, again using the state forms. As a
22 consultant, I also provided other services to other clients,
23 but like I said, we've never done a detailed demographics
24 analysis for this district.

25 That would provide maybe a more accurate result,

1 but we were just reporting on what the projections are
2 showing, what their capacity is, and therefore, what their
3 unhoused student population would be in terms of eligibility
4 and we didn't really advise the district on -- you know,
5 what their best position --

6 MR. NAZARIAN: Let me ask you. What was the due
7 diligence process that you utilized given that there are
8 many school districts the size of Pleasant Valley or View
9 School District is situated in that heavily rely on your
10 advice and may not have the scale to have the staffing to be
11 able to -- this isn't -- where I come from in LAUSD, this
12 wouldn't be an issue.

13 But I feel for the smaller school districts who
14 heavily have to rely on your expertise and being briefed on
15 this issue just raised a lot of concern for me. What are
16 the matrix that you're using for other school districts and
17 has this happened in other places?

18 MR. REYNOLDS: Well, again, as you're aware from
19 previous cases, the eligibility numbers do fluctuate and
20 that's because the enrollment projections do fluctuate. And
21 it's -- again, it's not an easy science. Like I said, I've
22 worked with CASH and other groups in the past on trying to
23 come up with a better model and in fact the model we have
24 today has more options in it because of some of the
25 unreliability, you know, in the science there.

1 The work we do is we are illustrating to the
2 district what their funding possibilities are. It's up to
3 the district to really -- and especially the school board to
4 focus on what their needs are and what the resources are.

5 Unfortunately for Pleasant View, this is their
6 only resource. They have a very small bonding capacity.
7 They could probably only issue maybe \$600,000 in bonds if
8 they went out and were successful with their bond attempt.

9 They don't really have development. There some
10 planned developments and potential development, but that's
11 even a resource for their facilities.

12 So there -- was the opportunity for funding and
13 the potential need for funding based on development
14 (indiscernible) and the growth they were seeing after 2011,
15 they knew they were going to need more space.

16 And again, it hasn't come (indiscernible). Well,
17 hindsight's always 20/20. But the information we had at the
18 time was they had an eligible project, they a concern about
19 capacity, they had a resource, and until the rules changed,
20 that's when it really threw us into a whole new dynamic
21 situation that we face today.

22 CHAIRPERSON BOSLER: Yeah. Senator Allen.

23 SENATOR ALLEN: Okay. I apologize I came in late.
24 I was in a meeting with the Chief Justice. Can I ask the
25 staff what is this nexus between enrollment projections and

1 this deadline?

2 MS. KAMPMEINERT: It actually two separate issues.
3 So the enrollment projections are one thing that the
4 district needs to come to the Board to appeal for because
5 setting aside the issue of occupying the classrooms, if
6 we're processing the applications and we determine that
7 based on the '17-'18 enrollment projections, the district
8 had no eligibility.

9 SENATOR ALLEN: No eligibility, okay.

10 MS. KAMPMEINERT: So even if we could get past
11 that issue, then we also found out that the project was
12 occupied prior to the application submittal, which in
13 regulation that makes you ineligible for new construction
14 funding and we have an AG opinion related to the last point
15 at which it can be considered eligible for new construction
16 funding, we would have -- well, we would have returned the
17 application for that piece even if the district had had the
18 eligibility.

19 So there's two different issues that make this
20 project ineligible for us to fund.

21 SENATOR ALLEN: Now, they're -- and they're
22 claiming that the enrollment projections that you're looking
23 at which you say are -- make it eligible are incorrect, that
24 there was some sort of mistake you made at some point.

25 MR. HUDSON: Ours were based on '13-'14. That's

1 what initially kicked this project off. Had there been bond
2 capacity at that point in time in '13-'14, we would have
3 been eligible and funded for, but we were (indiscernible)
4 because there wasn't.

5 So that's -- then when we went ahead and built the
6 project --

7 SENATOR ALLEN: But you're supposed to kind of
8 update the projections, right?

9 MR. HUDSON: But we already built. We already
10 built the buildings.

11 SENATOR ALLEN: And then you were asking for
12 backfill --

13 MR. HUDSON: Right.

14 SENATOR ALLEN: -- (indiscernible). And what's
15 the procedure for that? Is that common practice to do that?

16 MS. KAMPMEINERT: So the --

17 SENATOR ALLEN: It was sort of a calculated risk
18 on your part?

19 MR. HUDSON: Based on what I see districts around
20 us doing all the time when it comes to --

21 SENATOR ALLEN: Okay. And then they -- so they
22 had a certain enrollment growth. It leveled off which moved
23 them from what would have been eligible before
24 ineligibility. Is that effectively what's going on?

25 And what kind of advice was being given to school

1 districts at the time about how to handle this kind of
2 situation? I can see why a district would want to move
3 ahead given, you know, the slowness of the process.

4 MS. KAMPMEINERT: From our office, in order to
5 submit the application to the -- the application beyond bond
6 authority list or our acknowledge list where it was just
7 submitted and not reviewed, school districts had to go to
8 the school board and submit a resolution that basically
9 acknowledged the risk for the project.

10 So the resolution has a number of points and that
11 there's no guarantee of commitment of state funding. The
12 rules might change. The project might be returned. If the
13 district proceeds, then they're doing so at their own
14 risk --

15 SENATOR ALLEN: And you guys just figured we're
16 going to take this risk and hope for the best in a situation
17 like this?

18 MR. HUDSON: We didn't anticipate -- we
19 anticipated some sort of funding coming -- a bond.

20 SENATOR ALLEN: How did you get that -- we have
21 this resolution. You just thought something will come --

22 MR. HUDSON: This is -- this is what I had been
23 told. (Indiscernible) was part of the people that were
24 consulting to me, but I have an architectural firm and
25 project managers there to who are consulting the same thing

1 and when the bond passed, the regs didn't change until in
2 June of 2017 on the eligibility thing, so that's --

3 SENATOR ALLEN: Okay. Can I get a little more
4 detail on this timeline issue. So I understand they were
5 ineligible, but I also understand at the same time they were
6 eligible at the time that they passed it and they took a
7 risk and, you know, (indiscernible) I don't know. But then
8 there's this timeline issue that I'm having trouble
9 understanding.

10 So there was a mistake made by the district in
11 terms of -- or the consultant in terms of paperwork filing?

12 MS. KAMPMEINERT: Correct.

13 SENATOR ALLEN: And can you tell us about that a
14 little bit.

15 MS. KAMPMEINERT: Sure. So in the regulations,
16 the last point at which you can submit an application to be
17 considered for new construction funding is the day before
18 you occupy the school.

19 Once you occupy any of the classrooms in the
20 construction contract for that facility, it's ineligible for
21 new construction funding. It becomes existing kids and
22 existing capacity.

23 SENATOR ALLEN: And how long has been the
24 regulation?

25 MS. KAMPMEINERT: It's been a regulation for the

1 majority of the program. Back in 2003, it was related more
2 towards the date from which you signed your contract, so you
3 had 180 days from the date you executed the contract to
4 submit the application.

5 So there's always been a time point in regulation
6 that tells when it's still considered a new application for
7 new students.

8 SENATOR ALLEN: And would you say that like
9 everyone in the business knows about this?

10 MS. KAMPMEINERT: It says there -- and we hardly
11 ever have issues with this. This is the fourth issue in the
12 program history that we've had with occupancy. One of the
13 first things that we always emphasize when we're training or
14 doing presentations on new construction, but it is a widely
15 known piece that's -- it's critical.

16 SENATOR ALLEN: Are the four cases then from
17 different consultants or different people?

18 MS. KAMPMEINERT: You know, I don't know the
19 consultant firms. Those were back in 2000 -- early 2000s.

20 SENATOR ALLEN: So we haven't had this problem --
21 everyone's been getting it right for 20 years -- for 15
22 years.

23 MS. KAMPMEINERT: That depends (indiscernible).

24 SENATOR ALLEN: Can you give us an understanding
25 as to what happened in your case?

1 MR. HUDSON: Yeah. The plans were approved by
2 DSA, I think it was November 24th or 15th of '15. My
3 architectural firm I guess did not submit those plans to CDE
4 for CDE approval until June.

5 SENATOR ALLEN: You're the superintendent.

6 MR. HUDSON: I'm the superintendent.

7 SENATOR ALLEN: Oh, you mean the one you hired,
8 right?

9 MR. HUDSON: Yeah. So they didn't submit I guess
10 the plans to CDE until June and those plans weren't approved
11 and back to -- I guess till September which was then sent to
12 them then to help me fill out the 50-04.

13 So that -- I don't know why that delay. I don't
14 have an answer on that. Well, and my inspector that I had
15 who is the one I had the most confidence in and that's the
16 person I went to because I saw her all the time, she's the
17 one that ended up passing away.

18 So she went off the job in the end of May, early
19 June, and passed away by October.

20 SENATOR ALLEN: Okay. Just so I can better
21 understand the timeline. There is a timeline in here,
22 right?

23 MS. KAMPMEINERT: Yeah, page 120.

24 SENATOR ALLEN: If you want to ask questions, let
25 me see --

1 MR. DIAZ: While the Senator is looking at the
2 timeline, so I'm looking at what your situation is and
3 obviously what we do is unique and this one has quite a bit
4 of problems.

5 There's another thing that I'm looking at. You
6 set a timeline on occupancy -- of course, the AG's advice.
7 You have a situation here that you're talking about in your
8 application that you may consolidated the two sites. And
9 were looking at -- were talking about water scarcity issues,
10 but if you do that, then would that not lend against the
11 idea this is being needed in terms of your --

12 MR. HUDSON: The consolidation -- and I explained
13 this to Brian a while back, but the worst case scenario
14 would be if we had to go back to one campus. If enrollment
15 continued to decline over the next so many years and you had
16 to go to one campus, I can't go back to the old site. I
17 have no kindergarten facilities on the old site.

18 So everything would have to go towards the
19 community and so the -- we're not planning to consolidate
20 everything to one campus in the community tomorrow. That
21 was just an option long term if we need to -- because with
22 two campuses, you have a redundancy in staff that most K-8
23 schools are not dealing with.

24 I have twice the maintenance, operation, bus
25 drivers. I've got twice the secretarial staff, office

1 staff. So that was one of those long-term things that if
2 needed because I can't predict enrollment and when you're in
3 a small school district, it does fluctuate heavily, and so
4 if it were to go that way and we needed to the community,
5 that would be our best option.

6 MR. DIAZ: What are the criteria that you would
7 see in terms of development so you (indiscernible) housing
8 market (indiscernible) --

9 MR. HUDSON: So what I've heard recently redevelop
10 the community plan (indiscernible), and when they did
11 that -- back in the housing crisis, there were tentative
12 subdivision maps for about 5- to 600 homes. So when the
13 housing crisis hit, those disappeared.

14 There was one map that's around the school that
15 was -- I guess -- and I don't know this. I guess they're a
16 three-year period or something that was extended for ten. I
17 don't know if that's correct, but there was two subdivision
18 maps in Tulare County. That one was -- around our new site
19 in the community was extended for ten years. So we're
20 getting close -- that's coming up.

21 But there was a big home builder in Visalia as
22 well as (indiscernible) were looking at that property, but
23 it was contingent upon the new well in the community going
24 in which is just -- I just got that report in not too long
25 ago that that well is -- they had a test well there, but now

1 they're building a well there.

2 So I can't predict whether they'll come in and
3 take that opportunity, but there's only two different
4 subdivision maps that are already tentatively approved in
5 Tulare County and that's one of them around that new school
6 site.

7 SENATOR ALLEN: Well, I just -- I mean just
8 looking this over, I mean the (indiscernible) is an
9 incredible situation obviously, but isn't it still your
10 consultant's responsibility to meet the deadlines. You
11 know, there have been all sorts of -- we often hear very
12 difficult situations like that, so -- it's often that
13 (indiscernible) leads to some problem.

14 But this is what you do for a living and this is
15 the first time we've ever had this particular problem in
16 over -- about 15 years.

17 MR. REYNOLDS: Yeah. And unfortunately we weren't
18 a project manager on this project. We were just providing
19 assistance with calculating eligibility and filling out the
20 forms. So when the district provided us with the plans and
21 the CDE approval letter and the DSA approval letter, we
22 prepared the documents and had it turned in within a couple
23 weeks of receiving all that data.

24 SENATOR ALLEN: So the issue is with this kind of
25 slow response from the state government, from the --

1 MR. HUDSON: No. It was the -- my project manager
2 from the architectural firm that we were with. They -- when
3 they got the plans -- and I'm new to all -- I'm learning a
4 lot as I go through this, but they should -- they
5 submitted -- been to CDE and CDE then back to -- which would
6 then trigger the 50-04. And that was the delay.

7 SENATOR ALLEN: Who --

8 MR. HUDSON: My project manager from the
9 architectural firm, the architectural firm that designed the
10 buildings and who was another piece in guiding me through
11 the process.

12 SENATOR ALLEN: So they --

13 MR. HUDSON: Yeah, I --

14 SENATOR ALLEN: -- didn't get the paperwork in on
15 time to CDE as they were supposed to. Is that what you're
16 saying?

17 MR. HUDSON: I don't know what the timelines -- I
18 mean obviously we missed the timeline, so -- and when I was
19 in contact with them and the contractors through the
20 construction process and inspector, my understanding was the
21 school would be ready to go August 8th, the first day of
22 school. And we missed that by a month and a half because it
23 was submitted late.

24 SENATOR ALLEN: What's the name of the firm?

25 MR. HUDSON: Mangini, Tellen, Parrish &

1 McClain (ph).

2 SENATOR PAN: So -- well, first of all, I just
3 wanted to be clear that it has been said like that, but when
4 you're on the -- what's the list called again?

5 MS. KAMPMEINERT: The acknowledge list.

6 SENATOR PAN: -- the acknowledge list -- and I
7 know we've talked about this multiple times on this Board
8 that I've been sitting on. We emphasize there's no
9 guarantee of funding. If you go ahead and build, you build
10 at your own risk because we don't know when the next bond is
11 going -- we can have a whole conversation about the way we
12 finance new construction and how crazy it is (indiscernible)
13 one time bonds and so forth.

14 But aside from that -- and we even had discussions
15 about whether we should still continue an acknowledge list
16 or not because of this very type of situation because
17 unfortunately, people then have expectations.

18 But every document -- every, every document that
19 we require, that we say you can't -- you're not expecting --
20 we have to pass a resolution, everything is just like you go
21 build, you're doing it on your own dime.

22 You may get state funding. We may decide, well --
23 but where there's no guarantee, there's no promise, no
24 nothing. You decided -- you made the decision. You go
25 for -- take responsibility for it. All right?

1 Is there any question about that?

2 MR. HUDSON: No. I --

3 SENATOR PAN: Okay. So I just want to be sure
4 because it sounds like to me (indiscernible) over and over
5 again. So I want to be sure there isn't any confusion
6 there.

7 Okay. So you understand that. All right. And
8 then I guess the second part is, is that -- so who -- and I
9 realize that, you know, a small school district. Who was
10 supposed to give you guidance about the issue around this
11 very longstanding policy that you cannot get funding after
12 you occupy it? It's no longer new construction.

13 I mean is this some decision you made on your own.
14 Did you talk -- who told you that it was okay to do that?

15 MR. HUDSON: To?

16 SENATOR PAN: So the whole issue about occupying
17 the space -- yeah, before -- I mean that's a big problem.
18 That's a longstanding policy of this Board. (Indiscernible)
19 four violations of this in 15 years.

20 MR. HUDSON: It was -- and I'll be -- it was never
21 my intent to violate any regulation.

22 SENATOR PAN: Sure. Okay. But were you advised
23 by them? Did you seek advice? Is that something -- did
24 someone tell you that was okay to do? Did you ask --

25 MR. HUDSON: I didn't even know at the point -- at

1 that point.

2 SENATOR PAN: Uh-huh.

3 MR. HUDSON: I was unaware of that.

4 SENATOR PAN: Okay. But that was a decision you
5 made on your own? You didn't check with somebody --

6 MR. HUDSON: I checked with -- at that time when
7 I'd lost -- my inspector was already off the job. Went to
8 contractors and my architects and project managers, my
9 question to them was will the school be ready for the first
10 day of school and I was repeatedly told yes.

11 Now, where that breakdown -- that was never
12 communicated to me, Mark, we got to wait, we don't have the
13 plans back from CDE yet. Like I had never heard that, so --

14 SENATOR PAN: Okay. And that wasn't something you
15 used any consultants for or anything like that?

16 MR. HUDSON: But with -- that -- when it came to
17 that, that was my day-to-day (indiscernible) consultants on
18 that. It would have been my architects and my project
19 manager.

20 SENATOR PAN: Okay. And --

21 MR. HUDSON: And I haven't heard from them since.

22 SENATOR PAN: Okay. I assume you selected them
23 because they'd done school construction before?

24 MR. HUDSON: They're well known in our area, yes.

25 SENATOR PAN: Okay. For doing school

1 construction?

2 MR. HUDSON: Yes. Yes.

3 SENATOR PAN: Okay.

4 MR. HUDSON: They're probably one of the largest
5 in the Tulare County area.

6 SENATOR PAN: Okay. I mean what I'm struggling
7 with -- that's -- you know, they should be paying you back
8 (indiscernible) because -- frankly, because they gave you --
9 they didn't advise you appropriately. That's who you
10 counting on for advice. If you picked someone who supposedly
11 knows what they're doing, they should have told you, well,
12 guess what, if you -- that there's policy that if you move
13 in, then that triggers these things.

14 And so they should know that, if that's who you're
15 counting on for advice.

16 MR. HUDSON: Well, I know that now.

17 SENATOR PAN: Yeah. I know -- well, the thing is,
18 is that they should have told you.

19 MR. HUDSON: I know, but --

20 SENATOR PAN: And to a certain extent, I mean I
21 don't know what degree you -- you know, I don't know if it's
22 a violation of their contract or not to give you --
23 basically put you at risk for -- I mean first of all, we
24 can't -- there's no guarantee of funding anyway.

25 MR. HUDSON: I know.

1 SENATOR PAN: They essentially just put you in the
2 situation where -- I mean it's really hard -- we don't want
3 to open a door for other people to come down and say, well,
4 guess what, you know -- that it's okay to start doing this
5 because creates a whole lot of big policy problems for us if
6 people start saying it's okay for us to occupy and still try
7 to get this money. I mean that's the reason that policy's
8 in place.

9 ASSEMBLYMEMBER MATHIS: Assemblymember Devon
10 Mathis. This area is in my district. To better clarify the
11 area, this is one of our very, very small, disadvantaged,
12 high immigrant populations that's right outside the City of
13 Porterville which a lot of you may recall was the city
14 without water, that got hit extremely hard in 2012 with the
15 drought.

16 You know their school's well went out. They've
17 gone through a lot of things. This area doesn't have a lot
18 of money. They don't have (indiscernible) access. They
19 don't have the professional, skilled people to come in and
20 help them with the consulting process.

21 They had lost somebody that was running the
22 project and, you know, this area is literally one of those
23 places where there's two stop signs in the entire town.

24 The City of Porterville's growing, but it just
25 recently got green bus and a lot of people will move out to

1 this area because of the lower rental costs and housing
2 costs. I know Self Help is looking at this area to expand.
3 We work well with them and I know we're talking about
4 building more housing in the state and this is one of those
5 areas that definitely has room to grow to match those
6 numbers.

7 But this area needs a lot of help and it's very
8 clear that they didn't get the proper guidance and
9 everything kind of got lost in the sauce on this one. But I
10 really encourage you to help them out.

11 You know, as stated earlier, the Board in the past
12 has (indiscernible) three times to help things out. Now,
13 there are some other circumstances here that aren't like
14 others, especially with the drought, especially with the
15 population and their access and losing somebody on top of
16 that. It just kind of made this all a whole mess and it's
17 very hard for me to sit down and see one of superintendents
18 kind of get hammered with questions when the person that
19 could answer them is no longer with so.

20 So I ask for your sympathies on this and to better
21 understand (indiscernible). I hope that helps.

22 CHAIRPERSON BOSLER: Thank you, Assemblymember.
23 Did you want --

24 MR. NAZARIAN: Just to clarify. When you say
25 they're no longer with us, is it this inspector or is it the

1 folks from Mangini who seemed to --

2 MR. HUDSON: No. The day-to-day person. My
3 inspector. She passed away.

4 MR. NAZARIAN: Did the inspector work for the
5 district?

6 MR. HUDSON: Yes.

7 MR. NAZARIAN: But aren't we ascertaining that it
8 was the folks from Mangini who --

9 MR. HUDSON: I'm not saying that that wasn't part
10 of it, but yeah.

11 MR. NAZARIAN: It seems to me we need to bring
12 them in and have a conversation with them and especially if
13 they're doing this -- if they're the main player in the
14 area. They're putting other districts in the area at risk
15 if this is the way they operate.

16 MR. MATHIS: Well -- and Senator, I don't -- you
17 know, with her passing away in October, I think she was the
18 one -- she was the right hand that was giving our
19 superintendent here all the information and doing day to
20 day. So I mean who knows what she knew and what she didn't
21 know, what the company knew. I mean and that's the
22 difficulty with the loss.

23 I mean if she was here with us today, she could
24 probably answer every single person's questions inside and
25 out.

1 SENATOR ALLEN: So she would be --

2 MR. HUDSON: She was my main go-between.

3 SENATOR ALLEN: Uh-huh.

4 MR. HUDSON: I mean I had a project manager
5 assigned to me, but when it came to looking for advice --
6 because contractors tell you one thing, architects tell you
7 another, and Chris was the one that would tell me, no, this
8 is what you can do. This is what you -- that was the one
9 I --

10 SENATOR ALLEN: So when did she -- was she working
11 when she passed away?

12 MR. HUDSON: No.

13 SENATOR ALLEN: When did she leave?

14 MR. HUDSON: She went away for treatment. It was
15 the end of May or early June.

16 SENATOR ALLEN: And how does that relate to the
17 date in which the mistake was made?

18 MR. HUDSON: I had -- well, I had nobody then on
19 the project other than the architect up until the end.

20 SENATOR ALLEN: Uh-huh.

21 MR. HUDSON: I had nobody --

22 SENATOR ALLEN: That was -- so the problem --

23 MR. HUDSON: -- even had to go back and do a
24 retest of a fire system because they hadn't -- they had
25 somebody do it, but they weren't a DSA inspector. So then I

1 had to go back and redo that as well later on.

2 SENATOR ALLEN: But this timeline problem happened
3 after she left the job.

4 MR. HUDSON: Yes.

5 MR. NAZARIAN: So a couple things getting confused
6 here and I don't want to -- sorry. I don't want to --
7 Mr. Wilk is trying to --

8 SENATOR WILK: No, go ahead.

9 MR. NAZARIAN: There's a couple of things and I
10 don't want it to get mixed or confused because some of the
11 estimates that were made also precedes all of this and goes
12 back several years.

13 SENATOR ALLEN: Yeah. Right.

14 MR. NAZARIAN: That's why there's -- I can
15 appreciate that the architect made some mistakes, but we
16 still haven't gotten answers to some of the -- why this
17 source of funding or why the overestimation and honestly, I
18 haven't been satisfied with some of the answers that have
19 been provided here.

20 And to Senator Pan's question also, I was waiting
21 for you to maybe delve in and say -- have you had experience
22 working with the architect in previous times? Has this been
23 a recurring factor with this specific architect? I thought
24 you were going to ask that as well, but -- so I was waiting
25 for that.

1 But that's something else that I'd be interested
2 to know, but going back again, I'm very sorry for your loss
3 and I can appreciate what it means when you lose someone who
4 you so heavily rely on.

5 But there were some things that were decided upon
6 prior to any of this and I think what I'm trying to get at
7 is how were those decisions made. How were those
8 conclusions arrived at and does that happen in other places
9 now because my general thinking is that I don't want to
10 impact --

11 UNIDENTIFIED SPEAKER: I'm sorry.

12 MR. NAZARIAN: Sure. Sure. I can wait.

13 UNIDENTIFIED SPEAKER: Go ahead.

14 MR. NAZARIAN: What's important here is to make
15 sure that the kids aren't paying the price for mistakes
16 made. That's my general philosophy. But I also don't want
17 to be rewarding mistakes that now can be -- you know, if
18 there can be things happening over and over again, that's
19 what I'm trying to understand here.

20 MR. HUDSON: Right.

21 MR. NAZARIAN: I don't want -- I would not want to
22 incentivize that behavior. So that's why to some extent
23 these are questions, all due respect, not for you to answer,
24 but I'm interested in knowing more from the consultant as
25 well as from the staff of what's going on.

1 So I apologize for jumping in because I'm trying
2 to (indiscernible), but Senator Wilk --

3 SENATOR PAN: -- can answer some of those
4 questions about the architect.

5 CHAIRPERSON BOSLER: I seems like -- I agree with
6 you. It seems like this project (indiscernible) a good
7 project doesn't fit this program. (Indiscernible) around
8 integrity of this program and how it was set up, not an
9 issue. But you guys go ahead.

10 MS. SILVERMAN: Yeah. I mean as far as the
11 architect is concerned -- and we don't really have -- the
12 project is something that we've been (indiscernible) to
13 build out a few years ago. So it's kind of hard to try to
14 solve issues that had begun -- you know, since 2012, 2014.
15 So it's hard to sort those things out.

16 So it's -- and it's also hard to figure out
17 whether or not we have multiple issues of that nature with
18 the same architect firm and sometimes you're dealing with
19 firms that don't even exist anymore. So it's hard to sort
20 those things out.

21 I mean should we be keeping a track record of
22 those problem companies. Yeah, perhaps we should because,
23 you know, there's nothing worse than having (indiscernible)
24 and having (indiscernible) potential they take away. So I
25 mean you bring up good points.

1 MR. MATHIS: Madam Chair, if I may ask for a
2 motion to defer for a month so they can come back and better
3 answer the Board's questions and better be prepared.

4 ASSEMBLYMEMBER O'DONNELL: Madam Chair. My
5 concern is this conversation is done, you know, way out of
6 this room. I don't know that it's really a purview of this
7 Board to investigate everything. I mean the facts have been
8 presented.

9 Clearly, you -- you've admitted that mistakes have
10 been made and they ask us for a policy exception and it's
11 kind of a yes or no answer before us today from the way I
12 see it. I just think we ought to weigh in with a yes or a
13 no, if there even is a motion.

14 CHAIRPERSON BOSLER: Yeah. One concern I have is
15 about precedent and, you know, how this will be viewed, if
16 we make an exception here, by other districts and other
17 projects that come before us.

18 So that -- without framework for providing the
19 exception, which I don't think we have right now here
20 today -- so there -- I mean I have been following everything
21 going on in Porterville for years. It was a rough time
22 during the drought and the drinking water issues, the
23 administration, very familiar with, and that's also
24 something we're trying to deal with in other venues.

25 But today I don't see -- the way that the

1 program's laid out, I don't see the place where we have a
2 clear framework for making an exception in this case and so
3 that makes me nervous because others will come after you and
4 they may not be sympathetic and may be a lot bigger projects
5 and all of these things and it will be hard to say, well, we
6 need to treat you differently because you're not
7 (indiscernible). I don't -- be a concern.

8 Senator Wilk.

9 SENATOR WILK: Thank you, Madam Chair. So thank
10 you for what you do. I know it's a tough population group
11 and I appreciate you being there, you know, day in and day
12 out.

13 Just kind of track a little bit. I'm new to this
14 Board and so do you have your doctorate in education?

15 MR. HUDSON: Master's.

16 SENATOR WILK: Master's. So it's in what?

17 MR. HUDSON: Educational leadership.

18 SENATOR WILK: Do they spend any time -- because I
19 have a lot of rural schools in my district. I mean a lot of
20 these people here are urban areas, so they're not familiar
21 with the challenges that we have.

22 Do they teach any of this stuff in those programs
23 at all?

24 MR. HUDSON: No.

25 SENATOR WILK: So you're overly --

1 MR. HUDSON: This is my first experience.

2 SENATOR WILK: So you're overly reliant on your
3 consultants.

4 MR. HUDSON: On everything.

5 SENATOR WILK: Part of it's been act of God
6 between the drought which was not anticipated and the
7 passing of your go-to person. I think there is some
8 malfeasance I think with some of these others.

9 So I'm not heartless yet because I'm new to the
10 Board, so I'm -- I understand everybody's position.

11 SENATOR PAN: We appreciate that.

12 SENATOR WILK: But I just -- I'm going to oppose
13 the staff recommendation because I just don't want to do
14 that to you or to your children. If anybody else
15 (indiscernible), I totally understand, but I'm sorry. Maybe
16 it's not this -- and I agree with you at this point. This
17 is probably not the proper venue, but we -- maybe it is
18 something we ought to take a look at in our duties and --
19 because I'm sure this is not the first time stuff
20 happened -- has happened like this and it's -- particularly
21 if it's the same players. So

22 MR. DIAZ: So I appreciate all the conversation
23 and was actually looking at the history of the program. The
24 program could use some updating. Definitely, there are
25 situations that are out there that call for that and perhaps

1 the Legislature's purview given that this body as we know
2 that can make those decisions and (indiscernible) for future
3 programs.

4 But we all have integrity. All we have is the
5 integrity (indiscernible). I appreciate the comments that
6 were made, but I'm going to make a motion to approve the
7 staff's recommendation to deny the appeal.

8 CHAIRPERSON BOSLER: Is there a second?

9 MR. KIM: I will second that.

10 CHAIRPERSON BOSLER: So (indiscernible).

11 MS. SILVERMAN: I just want to clarify that.
12 Staff's actually recommendation to the Board was to deny.
13 So it's really the district's appeal before you. So they
14 need the votes to overturn staff's recommendation.

15 CHAIRPERSON BOSLER: So we have the wrong motion
16 on the table.

17 MR. DIAZ: Okay. I'll clarify the motion. This
18 would be to support staff's recommendation.

19 CHAIRPERSON BOSLER: Is there a second?

20 MR. KIM: I will second.

21 CHAIRPERSON BOSLER: Secretary, can you call the
22 roll. Sorry. One question.

23 SENATOR PAN: So there -- and I hear people saying
24 the facts are there. There's also a suggestion that we give
25 a little more time -- let me ask staff. And so -- some of

1 the things I'm hearing is that, first of all -- and I agree
2 we don't want to set precedence.

3 I think I heard from the Chair that some ways the
4 original request is somewhat -- you know, didn't really fit
5 in the box it's supposed to fit in. If there was a
6 deferral, is there any way to see whether some funding could
7 be done -- given that would not create a precedent, but
8 would fit -- more appropriately fit into a box and maybe the
9 answer's no, but I just want to throw that out there.

10 If there was some time to look at it, given the
11 circumstances, without --

12 MS. KAMPMEINERT: Yeah, and that's a good
13 question. And when we have been looking at the applications
14 where there have been eligibility challenges, one of the
15 things that we try to do is look at every option we can to
16 try to find some funding.

17 We don't have any solutions for this one. Using
18 the '18-'19 for the two other appeals was one of the ways
19 that we could fix this -- fix that for the district. We
20 don't have that option right now and whether it's the design
21 application, the full funding application, in both cases,
22 the '17-'18 as the current enrollment doesn't justify the
23 application.

24 So we don't really have any options because it all
25 hinges on that new construction eligibility piece that they

1 don't have with the updated numbers. So I don't know what
2 we would bring back to you next month with options. I wish
3 there was something we could do.

4 MR. MIRELES: Can I just clarify the process. Do
5 we not need six votes to approve the district's appeal?
6 They're appealing staff's recommendation, so we need a
7 motion to approve the appeal against staff's recommendation.
8 Is that (indiscernible)?

9 MS. KAMPMEINERT: Yeah. Staff administratively
10 denied it. If there are not six votes to approve the
11 district's appeal, then staff's action stands.

12 MR. MIRELES: So we must have a motion
13 (indiscernible) six votes, then this appeal (indiscernible)
14 approved.

15 MS. KAMPMEINERT: Correct.

16 MR. MIRELES: Staff's action stands.

17 MS. KAMPMEINERT: That's correct.

18 MR. MIRELES: Thank you.

19 SENATOR ALLEN: Can I just better understand that
20 procedure (indiscernible) involving the (indiscernible) idea
21 of those (indiscernible). How does that -- how would that
22 potentially work?

23 CHAIRPERSON BOSLER: I mean I think the problem
24 that came in the president's report which said that we're
25 going to have all these applications in and there's really

1 no other -- there's no modernization money left to allocate.
2 So it's just the new construction and so right now, before
3 this body, I don't know that there's any other funding
4 stream available. Is that right?

5 MS. SILVERMAN: Right. I mean so we promised to
6 take the Board these new construction appeals as quickly as
7 possible. So if we just sit this in a parking lot -- I mean
8 we're supposed to take action on it as quickly as possible.
9 So I agree it should be a yes or no answer.

10 And it's difficult. I know it's difficult.

11 MR. KIM: I was wondering if we just delay this.
12 I don't know what additional information would be provided
13 that would sway any of us to vote (indiscernible).

14 SENATOR ALLEN: For me, I guess it would be to get
15 to the bottom of this question of the role the architect
16 (indiscernible).

17 ASSEMBLYMEMBER O'DONNELL: Madam Chair.

18 CHAIRPERSON BOSLER: Yes.

19 ASSEMBLYMEMBER O'DONNELL: Again, we have a policy
20 consideration before the Board. It is either to approve the
21 appeal, deny the appeal. I don't think the facts are going
22 to change. As much as this is a tough decision, I get it.
23 I get it and (indiscernible) fear about setting precedent as
24 a body. So I really think, you know, from my perspective,
25 the Board should weigh in on this matter today because I

1 think it's been shared from the staff's side that there's
2 not much more information they could bring forward.

3 CHAIRPERSON BOSLER: So I guess the question is,
4 is there a motion to approve the appeal. No. That was a
5 different motion. As Juan pointed out, it was the wrong
6 motion. Sorry. We're going to rescind that motion and
7 start over.

8 MR. DIAZ: I rescind that motion.

9 SENATOR WILK: Good. Because I didn't understand
10 your motion.

11 SENATOR WILK: I move to approve the appeal.

12 CHAIRPERSON BOSLER: Move to approve the appeal.
13 Is there a second to approve the appeal?

14 ASSEMBLYMEMBER O'DONNELL: Second.

15 CHAIRPERSON BOSLER: Second. Secretary, call the
16 vote.

17 MS. JONES: Senator Allen.

18 Senator Wilk.

19 SENATOR WILK: Senator Wilk, yeah.

20 REPORTER: Please start over.

21 MS. JONES: Senator Allen.

22 Senator Pan.

23 Senator Wilk.

24 SENATOR WILK: Aye.

25 MS. JONES: Assemblymember Nazarian.

1 MR. NAZARIAN: Abstain.

2 MS. JONES: Assemblymember O'Donnell.

3 Assemblymember Gallagher.

4 ASSEMBLYMEMBER GALLAGHER: Aye.

5 MS. JONES: Juan Mireles.

6 Cesar Diaz.

7 Daniel Kim.

8 Keeley Bosler.

9 MS. JONES: That motion does not carry.

10 MR. NAZARIAN: As much as I love my colleague
11 sitting to my right, I do disagree with the idea that this
12 is just a yes -- up or down vote. I think this program is
13 still a program that is shaped by the policies we make.

14 So it's very important that when issues like this
15 come up we utilize it to figure out how we can support the
16 school districts in question, but at the same time,
17 effectively addressing some of the issues that we don't want
18 to turn into a precedent.

19 So to me this was a good debate and I think -- I
20 abstained because I would have wanted us to continue to
21 figure out how we can help the school district because I
22 voted -- serving in this committee, I voted on many
23 occasions when I see -- in favor of the school district even
24 when the final vote had lost because to me it's very
25 important to make sure that the kids aren't paying a price,

1 especially in rural areas.

2 Some years ago, we were voting on a school
3 district that only had one high school and it had been under
4 a circumstance of heavy mold for three or four years and
5 wasn't getting the attention that it needed.

6 But because of some of the issues that had taken
7 shape in that district, ultimately the vote went against it.
8 So I'm very sympathetic and I want to support, but I also
9 feel that this was an important opportunity to address some
10 things and root out some things that happened that we don't
11 want to see happen, especially to smaller districts because
12 again, they don't have the resources necessary to be able to
13 do what some of the bigger districts are capable of doing.

14 So I don't know if -- I would hope this isn't
15 final determining vote. I would hope that there's a way of
16 helping, but trying to figure out how we can address --
17 honestly, it's not a good enough answer to say that there
18 are private factors involved.

19 This is public money and so the integrity of it
20 can't be compromised, and I'm not pointing at you. I
21 think -- I believe you when you expressed that you were
22 working with what you have. But I think it's our
23 responsibility to also figure out what doesn't work. That's
24 why I was asking if we had had a working relationship with
25 this architecture firm.

1 And I don't know if this the appropriate time for
2 this or not, but we've had strike teams -- or outreach teams
3 in the past and it's been very successful and if that
4 modicum of an investment can help overcome some of these
5 challenges, I think the more resources in making sure a
6 handful of staffers for the entire state can address -- and
7 address these issues before they become an issue and before
8 you're sitting here and getting the outcome that you just
9 did.

10 So I want us to make sure that we're looking at
11 the opportunities --

12 CHAIRPERSON BOSLER: Well, I think that the
13 conversation really illuminated a lot of program design
14 issues around rural districts especially where they may not
15 have growing student population, but they have real other
16 structural issues, this time in a location that was not
17 serving the students.

18 So I'm very sympathetic to reason why the
19 additional school site was built, but, you know, clearly our
20 program is a little too rigid in that regard with this
21 funding stream for new construction. It's really meant to
22 deal with districts that have grown out of their existing
23 school site.

24 ASSEMBLYMEMBER O'DONNELL: Well, Madam Chair, was
25 that new construction money modernization money? Not now

1 but --

2 CHAIRPERSON BOSLER: Yeah.

3 ASSEMBLYMEMBER O'DONNELL: Well, we need to look
4 to going forward in the State of California -- and I think
5 Mr. Gallagher would agree -- is some type of filing for
6 schools that are dealing with disasters. Okay. No water is
7 a disaster. Fires are a disaster. Mud is a disaster. So
8 those will be conversations the Legislature will have going
9 forward this year.

10 MR. HUDSON: Thank you.

11 CHAIRPERSON BOSLER: All right. Thank you. All
12 right. We'll move on to the **Hayward Unified, Alameda.**

13 MS. KAMPMEINERT: So Hayward appeal is related to
14 the Emergency Repair Program. In 2017, the district
15 received an apportionment from the Emergency Repair Program
16 for the (indiscernible) project. They did not complete the
17 project within the timeline (indiscernible) by regulation
18 and administratively, there is nothing that we can do to
19 extend the timeline.

20 The district had indicated that they had some
21 unusual staffing turnover during the time period that the
22 apportionment was provided, so they didn't have anybody that
23 was available to staff the project.

24 However, the Emergency Repair Program funding was
25 designed to address the facility that had (indiscernible)

1 repairs and (indiscernible) and the roof does still need to
2 be taken care of. The work hasn't been done.

3 The district is requesting an additional 12 months
4 to complete the project.

5 We have had three other districts that have
6 submitted appeals related to extensions on their timelines
7 for this program. In those circumstances, the districts
8 were typically -- a little bit further along in their
9 project progress. They had either come very close to
10 completion or they had other factors that required the
11 timeline to go outside the original date. (Indiscernible)
12 had to close down the school (indiscernible) work at one of
13 them.

14 So we do have a little bit of concern with the
15 time frame on this project. However, if the funding is not
16 extended for the district, it will not go back into the
17 program to be used for other facilities needs or for the
18 Emergency Repair Program projects because that program is
19 now over. So it would just go back to the general fund and
20 would not be able to use for other districts.

21 So we have no major objections to the Board
22 providing an extension, but administratively we cannot do
23 anything. And I believe the district is here to address any
24 questions as well.

25 CHAIRPERSON BOSLER: Yes. Ernesto Ramirez.

1 MR. RAMIREZ: Thank you. My name is Ernesto
2 Ramirez. I'm the bond construction coordinator for Hayward
3 Unified in Alameda County.

4 I'd just like to make three quick points in terms
5 of the allocation that had been provided to the district.
6 One is that this rainy season has just reconfirmed what
7 we've known, that there's still need to replace the roof at
8 Lorin Eden Elementary.

9 Two is that the district's fully committed to
10 getting this project done. We have hired a consultant -- a
11 roofing consultant that has -- is about 99 percent complete
12 with the drawings.

13 We anticipate going out to bid in about two or
14 three weeks and we're fully committed to getting this done
15 during the summer.

16 CHAIRPERSON BOSLER: When it stops raining.

17 MR. RAMIREZ: When it stops raining, correct, if
18 it ever does. And the last point I wanted to bring out is
19 the fact that there has been a high turnover of senior
20 managers at the Hayward Unified. I have been there for
21 about a year and it wasn't until the fall of last year where
22 we became aware that the funding that was at the district
23 was specifically allocated for roofing replacement at the
24 elementary.

25 CHAIRPERSON BOSLER: All right. Well, I believe

1 that's going (indiscernible).

2 MR. RAMIREZ: Yes. We do have a major need.

3 CHAIRPERSON BOSLER: Any comments on this one?

4 Senator Pan.

5 SENATOR PAN: I guess the one comment I have to
6 make, though, is that I understand this is really important.
7 This is an emergency. (Indiscernible) that emergency
8 (indiscernible) concerned about the safety of the students
9 and, you know, the (indiscernible) of which, you know, part
10 of the reason it's on appeal because somebody told you you
11 had an emergency, but yet you're not (indiscernible) the
12 money and I understand you have -- there's reasons that
13 happened.

14 That also makes me a little nervous about those
15 kids. I mean the reason it's an emergency is because those
16 are kids in there and you need to get it fixed. So I'm
17 certainly, you know, in support of this, but it does make me
18 a little nervous that the reason we're here is because an
19 emergency was delayed. I mean the (indiscernible) emergency
20 was delayed.

21 CHAIRPERSON BOSLER: Is there a motion?

22 SENATOR PAN: I'll move.

23 CHAIRPERSON BOSLER: Senator Pan moves.

24 MR. DIAZ: Second.

25 CHAIRPERSON BOSLER: Mr. Diaz seconds. And roll

1 call.

2 MS. JONES: Senator Allen.

3 REPORTER: You're not coming on over the
4 microphone for some reason.

5 MS. JONES: Well, blow me down.

6 Senator Allen.

7 SENATOR ALLEN: Aye.

8 MS. JONES: Senator Pan.

9 SENATOR PAN: Aye.

10 MS. JONES: Senator Wilk.

11 SENATOR WILK: Aye.

12 MS. JONES: Assemblymember Nazarian.

13 MR. NAZARIAN: Aye.

14 MS. JONES: Assemblymember O'Donnell.

15 ASSEMBLYMEMBER O'DONNELL: Aye.

16 MS. JONES: Assemblymember Gallagher.

17 ASSEMBLYMEMBER GALLAGHER: Aye.

18 MS. JONES: Juan Mireles.

19 MR. MIRELES: Aye.

20 MS. JONES: Cesar Diaz.

21 MR. DIAZ: Aye.

22 MS. JONES: Daniel Kim.

23 MR. KIM: Aye.

24 MS. JONES: Keeley Bosler.

25 CHAIRPERSON BOSLER: Aye.

1 MS. JONES: And that motion carries.

2 CHAIRPERSON BOSLER: So I think the next item on
3 the agenda was a special report informational item given the
4 devastating disasters, especially the impacted Paradise,
5 just thinking through how you go about rebuilding an entire
6 school system. And we have some people from Office of
7 Emergency Services and State Department of Education that
8 are going to help us to understand a little bit better the
9 processes in place to support those school districts,
10 especially Paradise.

11 MS. SILVERMAN: -- the folk to join me. Yes. We
12 also have the Division of State Architect.

13 CHAIRPERSON BOSLER: Oh, right. Great.

14 MS. SILVERMAN: Yeah. Good afternoon. I just
15 wanted to thank these folks for joining us today and the
16 opportunity to speak to you about the emergency response
17 when it comes to disaster and appreciate the collaboration
18 here and the (indiscernible) that the agencies do work
19 together when it comes to these national disasters.

20 So in the event of an emergency affecting
21 California public schools, we have representatives today
22 for Robert Larsen, the Deputy Public Assistance Officer, and
23 we also have Lynne Olsen, the Senior Emergency Services
24 Coordinator from the Office of Emergency Services.

25 We have Juan Mireles here also from the Department

1 of Education. You all know Juan, Director of School
2 Facilities, and he'll be sharing some highlights of what his
3 role is there in this process, and James Hackett, the
4 Division of State Architect, and he's a Principal Structural
5 Engineer, Code and Policy Standards, here in Sacramento.

6 So we honestly wanted to share -- when the Camp
7 Fire began on November 8th, 2018, (indiscernible) structure
8 fire in California history, but hundreds of schools have
9 been impacted not only in the recent wildfires but mudslides
10 and other disasters.

11 In the wake of the events, staff is writing a
12 report on its role and what our role is for the Office of
13 Public School Construction in event of these disasters and
14 what we find as far as with damages to the facilities.

15 So as this multi-agency process in the aftermath
16 of the Camp Fire, these prior disasters, we wanted to share
17 with you how these joint agencies work together and we have
18 Cal OES, California Office of Emergency Services, and the
19 Department of Education, the Division of State Architect,
20 and the Office of Public School Construction, among other
21 state agencies and local school districts and their leaders
22 and we collaborate to join the state agency (indiscernible)
23 schools task force to provide a broad range of support in
24 their efforts to not only rebuilding the school districts,
25 but their local community.

1 So with that, I also wanted to introduce the
2 California Office of Emergency Services and he can share
3 what his role is.

4 MR. LARSEN: Sure. So again my name is Robbie
5 Larsen with Cal OES and I'm a Deputy Public Assistance
6 Officer. And public assistance, what that means is that we
7 help to support counties, cities, tribes, special districts
8 such as schools.

9 And as we all know is what happened up there in
10 Butte County, up in Paradise, pretty much the majority of
11 the town was lost, about 14,000 homes, along with a big
12 portion of the school district up there. There are several
13 buildings there that were lost. There is lots of trees that
14 are dead and lots of trees that need to be removed. Also
15 trees in neighboring -- around the school that belong to
16 private properties that also are dead and need to be
17 removed. They're all a safety hazard to the community and
18 the public at large.

19 So what we do is give public assistance. Right
20 now this is declared a major disaster, Disaster DR4407, and
21 so FEMA is in town. We're working with FEMA hand in hand
22 and we're working with the school district. Over there in
23 Butte County, there are several applicants in Butte County
24 that we are working with. The school district is one of the
25 top four just because of the damages that they have and

1 everything that they are dealing with there.

2 Currently, they are working with an arborist to
3 identify these trees and we are there to help and assist
4 them. We have technical people that are coming to help
5 them -- FEMA does and we are there to help them get the
6 trees identified. There's a certain way that that needs to
7 be done to make sure everything is eligible.

8 And with the state, we work as their counterpart
9 to make sure that they do all the right things, to make sure
10 that they get every single penny that they are entitled to.
11 Because it is a reimbursement program. It's not a grant
12 program. It is a reimbursement program and the way that it
13 works now is that -- normal procedures is that FEMA will pay
14 75 percent -- 75 percent of what the damages -- what the
15 losses are.

16 The state -- well, we pay -- Cal OES or the state,
17 we come and we pay 75 percent of the remainder which works
18 out to about 18 and 3/4 percent and that leaves the locals
19 (indiscernible) 6 and 1/4 percent.

20 Now, recently we got approval -- FEMA approved
21 where they're going to cost share at 90/10, which means FEMA
22 will have a cost share of 90 percent of the category A and B
23 work only. That's what they have 90/10 for is A and B only
24 which is emergency work which is tree removal and all of the
25 emergency response work.

1 And then the state, we will then cost share
2 75 percent of the 10 percent which leaves them on the hook
3 for about 2 and 1/2 percent. Pretty good deal.

4 We're looking to try to -- we're working on it now
5 to where we're going to probably absorb the full 2 and 1/2
6 percent. So it will relieve the locals (indiscernible).

7 CHAIRPERSON BOSLER: -- point that out.

8 MR. LARSEN: Yes. So we'll --

9 CHAIRPERSON BOSLER: We did build that into the
10 (indiscernible).

11 MR. LARSEN: Yeah. And we're working on that now.
12 Yeah. The other day, myself and the public assistance
13 officer, we spent about eight hours going through all of
14 that -- actually about a day and a half doing it and we're
15 working on making sure all the numbers are okay and that
16 there is enough money there to do so.

17 Again, we're here to support the locals, the
18 communities, and that includes the school districts and we
19 work with FEMA. If there's any questions that come up that
20 the locals or the applicants or subgrantees have any
21 concerns, we're there to help them and assist them through
22 not only the beginning here, but also to the very end when
23 their projects are all done. We help them with their time
24 extensions to make them -- you know, get through the
25 process.

1 If there's any (indiscernible) changes that need
2 to happen, we also help them with that.

3 It is a tedious process. It does take a long
4 time. There is a lot of -- a lot of times, it seems like
5 there is nothing going on, nothing is happening, but believe
6 me, there is a lot that is going on and a lot that is
7 happening.

8 Currently, that's what we have there with the
9 disaster up there in Paradise in Butte County. As we all
10 know, the current storms that are happening now, we have
11 teams that are out in the field that are doing evaluations
12 that are called initial damage estimates and we're possibly
13 looking at a potential other disaster that's out there too.

14 It won't affect just Paradise, but several other
15 counties also. There's 21 counties that the Governor did
16 proclaim as part of the state of emergency.

17 Storms that are happening this week, that could
18 turn into a whole new event. So we've been very busy.
19 There's been a lot of work out there in the last couple
20 years, seven major events in the last couple years along
21 with the -- all the only -- state only events and that
22 doesn't count -- each year we end up about between -- on the
23 average between 8 and 12 fire events which are
24 (indiscernible) events, which are smaller fires, but they're
25 still events, still plenty of work.

1 So any questions I can answer on anything that any
2 of you may have?

3 SENATOR ALLEN: Just a thank you for all the work
4 that's going on. It can't be easy and it's not really so
5 much about the effort on every level. And Juan -- we have
6 one of our colleagues here to represent the area, so my
7 heart goes out to all the folks who are doing this work. It
8 must be heartbreaking out there -- heartbreaking and back
9 breaking. And I just want to recognize --

10 CHAIRPERSON BOSLER: Yeah. Thank you. I second
11 what Senator Allen was just saying. Just watching all of
12 the departments, it's really a government-wide effort when
13 you're responding to an emergency and the way the Department
14 of Education worked with OES during the emergency was really
15 just wonderful and I was on a lot of unified command group
16 calls, every morning, every night.

17 But now is the hard part. What I've learned from
18 our OES Director, Mark Ghilarducci, the recovery is almost
19 ten times harder than response and that's the part we're in.

20 I am interested to hear a little bit about -- I
21 know insurance is part of it, but then also federal grants
22 (indiscernible) maybe Department of Ed (indiscernible).

23 MR. MIRELES: So our role in emergency services
24 really dramatically increased in 2017 and part of it was
25 because more schools were impacted. More schools were

1 damaged or destroyed. Part of it was also due to
2 (indiscernible). We were instrumental in helping as the --
3 part of the unified coordinated group at the Office of
4 Emergency Services and that really helped that schools had a
5 voice in these coordinated efforts and we were responding.

6 So the department has representatives that go to
7 the state operations center when there is a natural
8 disaster, when this all gets activated. We go there and
9 help with the response. We are not first responders. We
10 know what happens on the ground, but we do collect
11 information that I think is very critical for all the
12 efforts at the state level to help and I think that what's
13 very important particularly in '17 and moving forward was
14 the emphasis and the priority that schools had during this
15 whole process.

16 I think there was a general consensus with the
17 Governor's office, with Cal OES, and of course the
18 Department of Ed that schools need to be prioritized, that
19 we need to think about them as we coordinate efforts to help
20 them.

21 So any information that we provided, that we share
22 during the response, was status on the school -- on schools,
23 whether they're damaged or destroyed. And just to give you
24 an idea, since 2017 we've had a total of 12 schools that
25 have been completely destroyed. That's both public and

1 private.

2 We've also had an additional 14 schools, public
3 and private, that have been damaged. That's just on the
4 facilities side.

5 Now on the impacted students, there were over
6 7,000 students that lost their homes and there were 800
7 staff that lost their homes. So that brings with that a lot
8 of trauma to students and staff. So even though some of our
9 efforts in responding have been focused on status of
10 schools, also schools closures. That was a main emphasis
11 too.

12 Schools are closed. What's it going to take to
13 reopen the schools, which will just close and what can we do
14 to help them to reopen the schools.

15 And going back to the facilities side, there's
16 always been an issue with temporary housing. You know,
17 where are we going to place these students, particularly the
18 ones that were going to schools that were damaged or
19 destroyed.

20 We need to find a place for them and we need to
21 find a place for them quickly. And we really had to think
22 outside the box and get creative to try and find solutions,
23 solutions that we normally wouldn't be comfortable with
24 because we know that there are certain requirements to have
25 students in learning environments and we had to look at

1 buildings that are not suited for students, that are not
2 (indiscernible).

3 So we all knew that it was a temporary solution to
4 try and get the students back in place and that's where we
5 work closely with Cal OES and the Governor's office to issue
6 executive orders to in some cases waive those requirements
7 in specific situations because we knew that there weren't
8 alternatives.

9 (Indiscernible) housing was and has been a
10 continued issue because getting the schools back -- I mean
11 getting the students back with their teachers, with their
12 peers is critical so they can return to some sense of
13 normalcy.

14 But along with that, and not just in response
15 (indiscernible) recovery, there's a lot of other efforts
16 that come into play where we provide assistance. Some of it
17 surrounds counseling and trauma and recovery. You know, we
18 do work at funding that is available that may not be covered
19 by insurance.

20 You know, for facilities, the first stop is
21 usually insurance and then there's also some FEMA
22 reimbursement that could be available. There could be some
23 funding from the state, from this Board, to (indiscernible)
24 hardship to fill the funding gap between insurance money and
25 what it costs to build or rebuild, but there's also

1 additional federal funding that's available that we pursue
2 to help with some of these additional costs and we continue
3 to do that because some of these costs are not covered by,
4 again, insurance or FEMA.

5 But in the case of like the Camp Fire in Butte, we
6 send a team -- the department sent a team of folks to their
7 education summit. We had experts in many different areas,
8 you know, including (indiscernible).

9 You know, when students are displaced, they become
10 homeless and then we had experts in that area, what does
11 that mean and what schools will they have to go to. We
12 provided assistance at charter schools and a lot of these
13 services, it depends on each situation.

14 Each situation is different. We're always there
15 to partner especially with Cal OES. They're wonderful to
16 work with -- that we co-lead a joint state schools task
17 force that, you know, was specific to help address any unmet
18 needs that are at the local level. And that's how it
19 typically -- you know, things get funneled up to the state.

20 You know, the districts at the local level are
21 working with their County Offices of Ed, the local county's
22 emergency operations center. If they can't meet those
23 needs, then it gets elevated to the state and that's when
24 there's things that are called (indiscernible) task that I
25 learned (indiscernible) and what can be done at the state

1 level to really help those unmet needs.

2 So our role has shifted again to continue to
3 provide services. The recovery is very difficult and it's
4 ongoing and it's going to take a long time, but that we are
5 there to partner with the state agencies and we're there to
6 support LEAs.

7 MS. SILVERMAN: I want to share James Hackett and
8 he will give his oversight about what DSA's role is.

9 MR. HACKETT: Good evening. Compared to CDE and
10 compared to OES, our role is much, much smaller, but we do
11 provide support and I think that's what our (indiscernible)
12 role is in any emergency.

13 If it is a fire as in the recent disasters, we
14 respond and wait for response from OES and for DSA to take
15 our staff to send them out to a site, we could be in danger
16 and we could be putting them into dangerous situations.

17 So our response, generally, we want to run our
18 coordination through OES. We do through DGS. DGS has an
19 emergency coordinator and that's our actual connection. So
20 we reach out to them or they reach out to us and then that
21 goes back to OES in that (indiscernible).

22 So there's actually a circuitous path that we get
23 involved in.

24 When there is a disaster -- let's take an
25 earthquake, for example. It's slightly different. That can

1 lead -- depending on the size, that could lead to tremendous
2 confusion. And so our role is to really advise districts
3 to, first, if you have engineering firms or you have your
4 design professionals, the quickest and fastest assessment
5 (indiscernible) is to utilize them and we're trying to
6 advise them to work with those folks and to make sure that
7 they (indiscernible) with the local command center, which
8 includes OES.

9 The reason for that is the paperwork and the paper
10 trail for being able to secure FEMA funding, if you get down
11 the road and need to be able to do so, is very
12 (indiscernible). I mean if you step out of line, you may
13 not be able to apply for that funding.

14 So we try to make sure that folks do
15 (indiscernible) process. Secondly, if that doesn't happen,
16 we advise them to go straight to your local command centers
17 to hook up with them.

18 Clearly, if that appears like it's going to take
19 too long, we will send our staff out and we can send our
20 staff out to school districts and state buildings. We can
21 send our staff out to whomever and we'll do that, but we
22 have the responsibility to again fall back in and do
23 everything in accordance with OES's procedures.

24 So that is our initial immediate response. In the
25 case of the fires, we worked closely with Juan, with CDE.

1 We worked together -- put together a team and we went out as
2 part of a team and assessed school sites that were affected,
3 in essence give guidance to school districts.

4 Our biggest message to them is we will give you
5 high priority. And so if you in fact have an issue, if you
6 have had some burn, we will expedite your plan reviews if
7 you come back through us, and we understand the emergency
8 and your need.

9 So that's predominantly what we do. Our role
10 really is -- in many ways is in support of CDE, support of
11 OES to make sure that we advise our schools to do this in a
12 manner that's not going to compromise them down the road.

13 CHAIRPERSON BOSLER: Assemblymember Gallagher.

14 ASSEMBLYMEMBER GALLAGER: Well, I was just going
15 to say I mean it was a great coordinated effort on
16 (indiscernible) and the department's efforts coming together
17 and, you know, keeping (indiscernible) really try to keep a
18 lot of the classes together with their teachers. And I
19 think we did a lot of work there to ensure that was the
20 case, finding spaces, because we had -- I think it was four
21 elementary schools, the high school, and there was three
22 charter schools I believe all of them in that Ridge area.

23 And so finding that relocation was good. One
24 thing we're working on is the counseling services and --
25 because that's going to be -- continue to be an ongoing

1 issue, but I just wanted to note -- and the gentleman from
2 Cal OES was highlighting it -- but one of the reasons why
3 we're trying to remove all the dead/dying trees up there,
4 because there's a lot as you can imagine, is that we're
5 hoping if we can get the trees removed up there that the
6 high school will actually be able to graduate on the
7 field -- the traditional field that they graduate on this
8 June.

9 So that's, you know, a big effort that we're
10 trying to make sure that that can happen and, you know, a
11 lot of that is trying to get -- is part of trying to return
12 to that normalcy, right? Like, hey, we are going to come
13 back and things like that can really make a big difference.

14 So I appreciate the effort that's been made on
15 that and we're hoping that we're going to be able to get
16 that done, so -- thank you all for all of your
17 different effort -- all of the agencies working together to
18 help our community.

19 MS. SILVERMAN: And we will continue to work with
20 Paradise and to consider bringing forward the
21 (indiscernible) action next month is to accelerate Paradise
22 modernization project for Board action next month.

23 So again, our role is to identify (indiscernible)
24 funding opportunities for any district who has the ability
25 to access not only program funds and facility hardship, but

1 any program and to coordinate efforts with district task
2 forces and any agency. So again, we're (indiscernible)
3 working together to (indiscernible) any funding opportunity
4 in the future.

5 CHAIRPERSON BOSLER: Thank you. Is there any
6 public comment. Otherwise we can wrap up.

7 MS. JONES: Did you want to take care of the open
8 roll?

9 CHAIRPERSON BOSLER: Oh, yes. We have the roll
10 call open and --

11 MS. JONES: For the Minutes.

12 CHAIRPERSON BOSLER: The Minutes.

13 MS. JONES: Yes.

14 CHAIRPERSON BOSLER: Yes -- open for the Minutes.

15 MS. JONES: So just quickly ask, Senator Allen,
16 Senator Pan --

17 SENATOR PAN: Aye.

18 MS. JONES: Assemblymember Nazarian.

19 MR. NAZARIAN: Present.

20 MS. JONES: And Assemblymember Gallagher, how do
21 you vote on the Minutes.

22 MR. NAZARIAN: Aye.

23 ASSEMBLYMEMBER GALLAGER: Aye.

24 SENATOR PAN: Aye.

25 MS. JONES: And on the Consent.

1 MR. NAZARIAN: Aye.

2 ASSEMBLYMEMBER GALLAGER: Aye.

3 SENATOR PAN: Aye.

4 MS. JONES: Great. Thank you.

5 CHAIRPERSON BOSLER: And with that, the meeting's
6 adjourned.

7 (Whereupon, at 1:37 p.m., the proceedings were
8 adjourned.)

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That the proceedings herein of the California State Allocation Board, Public Meeting, were duly transcribed by me;

That the foregoing transcript is a true record of the proceedings as recorded;

That I am a disinterested person to said action.

IN WITNESS WHEREOF, I have subscribed my name on March 1, 2019.

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